

ANALISA SAHAM INDONESIA

November 8, 2021

*** The JCI trading range: 6,540pt - 6,675pt (Friday close: 6,582pt)**

*** Wall Street ended higher by some 0.4%, major indices are all closed at record high mainly as the October job data in United States (US) is stronger-than-expected**

*** The JCI is expected to gain edge also supported by USDIDR and oil-close**

Morning,

The Jakarta Composite Index (JCI) today (11/8) is expected to trade between 6,540pt - 6,675pt to stay mostly in the green zone also on the back of bargain hunters. Meanwhile, Friday last week (11/5) Wall Street ended with the DJIA closed higher by 204pt or 0.6% to 36,328pt, while the S&P500 and the Nasdaq closed higher by 0.4% and 0.2%, respectively. The US nonfarm payrolls figure last month showed an addition of 531k units or higher than the widely estimated 450k units, while the country's unemployment rate declined by 0.2ppt to 4.6%. In the view of the start of hawkish stance this month, yield of 10-year Treasury note declined by 6bp to 1.46% in the last close (Indonesia counterpart by 2bp to 6.208%).

The JCI today is expected to reverse also to digest the country's 3Q21 GDP data release last week. Indonesia 3Q21 GDP figure is recorded to grow at 3.51% YoY and 1.55% QoQ, or lower as compared to 3.61% YoY of market-consensus estimate, 4.5% YoY that of the government, and 5% YoY that of the central bank. However, on a prorata basis against the 2Q21 which expanded by 3.31% QoQ, 3Q21 GDP number reflects more-than-sufficiently thriving economic activities, also considering in the 2Q21 occurred Eid festive holidays. By sectors, outstanding contributions during the 3Q21 shown by that of F&B sector of 0.33ppt (2Q21: 0.17ppt), Construction sector of 0.49ppt (2Q21: -0.25ppt), while Trade of cars/motorcycles/maintenance sector contributed of 0.3ppt (2Q21: 0.3ppt).

At the other end, last week the WTI price closed higher by 3.1% to USD81.3/barrel, mainly on supply worries despite news that the US administration is ready to release the strategic reserves. By the main reasons of green issues and the untimely COVID-19 pandemic happening, supply of the sector has difficulties to catch up with recovering demand. Meanwhile, the USDIDR closed at IDR14,374 vs. IDR14,327 the previous one.

We advise the following recommendations, for both trading and longer-time investment purpose. **AAI, LSIP (sector of Agri, allocation suggestion Underweight), UNTR, ITMG, ADRO, PTBA (sector of Coal Mining, allocation suggestion Market-weight), SIDO, ULTJ, UNVR, ICBP (sector of Consumer, allocation suggestion Overweight), and ACES, SCMA, MAPI,MNCN (sector of Trade, allocation suggestion Overweight),and TKIM (sector of Basic Industry, allocation suggestion Market-weight).**

Cheers,